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DEBTORS IN POSSESSION

16 **UNITED STATES BANKRUPTCY COURT**
17 **NORTHERN DISTRICT OF CALIFORNIA**
18 **SAN FRANCISCO DIVISION**

19 In re:

20 PG&E CORPORATION,

21 - and -

22 PACIFIC GAS AND ELECTRIC
23 COMPANY

24 Debtors.

- 25 ☐ Affects PG&E Corporation
26 ☐ Affects Pacific Gas and Electric
27 Company
28 ☒ Affects both Debtors

* All papers shall be filed in the Lead
Case, No. 19-30088 (DM).

Case No. 19 - 30088 (DM)

Chapter 11
(Lead Case)
(Jointly Administered)

**STIPULATION BY AND AMONG THE
PLAN PROPONENTS, THE OFFICIAL
COMMITTEE OF TORT CLAIMANTS, THE
ADVENTIST HEALTH CLAIMANTS, THE
PARADISE RELATED ENTITIES, AT&T,
AND COMCAST REGARDING FIRE
VICTIM TRUST DOCUMENTS ISSUES**

1 TO THE HONORABLE DENNIS MONTALI, UNITED STATES BANKRUPTCY JUDGE:

2 PLEASE TAKE NOTICE that PG&E Corporation and Pacific Gas and Electric Company,
3 as debtors and debtors in possession (collectively, the “Debtors”); certain funds and accounts
4 managed or advised by Abrams Capital Management, L.P., and certain funds and accounts
5 managed or advised by Knighthead Capital Management, LLC (together, the “Shareholder
6 Proponents” and collectively with the Debtors, the “Plan Proponents”); the Official Committee of
7 Tort Claimants (the “TCC”); Adventist Health System/West and Feather River Hospital d/b/a
8 Adventist Health Feather River, each a California religious non-profit corporation (together, the
9 “Adventist Health Claimants”); Paradise Unified School District, Northern Recycling and Waste
10 Services, LLC/Northern Holdings, LLC, Napa County Recycling & Waste Services, LLC/Napa
11 Recycling & Waste Services, LLC, and Christian & Missionary Alliance Church of Paradise, dba
12 Paradise Alliance Church (together, the “Paradise Entities”); AT&T Corp. and all affiliates.
13 (“AT&T”); and Comcast Cable Communications, LLC and all affiliates (together, “Comcast,” and
14 collectively with the Adventist Health Claimants, the Paradise Entities, and AT&T, the “Ad Hoc
15 Group of Business Claimants”), by and through their undersigned counsel, hereby submit this
16 stipulation (the “Stipulation”) for an Order approving the Parties’ (as defined below) agreement to
17 establish a briefing and oral argument schedule for objections to the terms of the Trust Documents
18 (as defined below). The Plan Proponents, the TCC, the Adventist Health Claimants, the Paradise
19 Entities, AT&T, and Comcast are referred to in this Stipulation collectively as the “Parties,” and
20 each as a “Party.” The Parties hereby stipulate and agree as follows:

21 **RECITALS**

22 A. WHEREAS, on January 29, 2019, the Debtors commenced these chapter 11 cases
23 in the United States Bankruptcy Court for the Northern District of California (the “Bankruptcy
24 Court”).

25 B. WHEREAS, on March 16, 2020, the Plan Proponents filed the *Debtors’ and*
26 *Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization, Dated March 16, 2020* [Dkt.
27 6320] (together with all schedules and exhibits thereto, and as may be modified, amended, or

1 supplemented, the “Plan”).¹

2 C. WHEREAS, on March 17, 2020, the Court entered the *Order (I) Approving*
3 *Proposed Disclosure Statement for Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan*
4 *of Reorganization; (II) Approving Form and Manner of Notice of Hearing on Proposed Disclosure*
5 *Statement; (III) Establishing and Approving Plan Solicitation and Voting Procedures;*
6 *(IV) Approving Forms of Ballots, Solicitation Packages, and Related Notices; and (V) Granting*
7 *Related Relief* [Dkt. 6340] (the “Disclosure Statement Order”).

8 D. WHEREAS, on March 17, 2020, the Plan Proponents filed the solicitation version
9 of the *Disclosure Statement for Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of*
10 *Reorganization* [Dkt. 6353], as supplemented by the *Supplement to Disclosure Statement for*
11 *Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization*, approved by
12 Court Order on March 25, 2020 [Dkt. 6483].

13 E. WHEREAS, under the Plan, all Fire Victim Claims, including Fire Victim Claims
14 asserted by each of the Adventist Health Claimants, the Paradise Entities, AT&T, and Comcast,
15 shall be compensated from the Fire Victim Trust, which will be governed by, among other things,
16 various trust documents, including the proposed Fire Victim Trust Agreement and the proposed
17 Fire Victim Claims Resolution Procedures (collectively, the “Trust Documents”).

18 F. WHEREAS, pursuant to the Disclosure Statement Order, objections to the
19 confirmation of the Plan must be filed with the Bankruptcy Court by May 15, 2020 at 4:00 p.m.
20 (Prevailing Pacific Time) (the “Plan Objection Deadline”).

21 G. WHEREAS, the Ad Hoc Group of Business Claimants has requested a separate
22 briefing schedule to address their specific objections to the terms and conditions of the Trust
23 Documents (excluding any objections pursuant to section 1129(b) of the Bankruptcy Code, the
24 “Trust Documents Issues”) and has sought an expedited hearing on such objections. Such briefing
25 schedule is not intended to require any other party in interest to raise objections to the Plan or the
26 Trust Documents prior to the Plan Objection Deadline.

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28 ¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan.

1 H. WHEREAS, the parties have engaged in good faith, arm's-length discussions to try
2 to resolve the Trust Documents Issues.

3 I. WHEREAS, the Parties have agreed on the following briefing and oral argument
4 schedule in respect of the unresolved Trust Documents Issues (the "Unresolved Trust Documents
5 Issues"), as set forth herein.

6 **STIPULATION**

7 NOW, THEREFORE, and subject to the approval of this Court, it is hereby stipulated and
8 agreed, by and among the Parties, through the undersigned, and the Parties jointly request the Court
9 to order, that:

10 1. The Plan Proponents, the TCC and the Ad Hoc Group of Business Claimants shall
11 engage in and continue settlement discussions regarding the Trust Documents Issues, beginning on
12 April 21, 2020 (the "Settlement Process"), which settlement discussions are subject to Rule 408 of
13 the Federal Rules of Evidence.

14 2. The Trust Documents shall be filed no later than May 1, 2020.

15 3. To the extent that the Trust Documents Issues are not resolved through the
16 Settlement Process, the Ad Hoc Group of Business Claimants shall file one joint brief (the "Joint
17 Objection") on the Unresolved Trust Documents Issues common to all of them, not to exceed 25
18 pages, by May 5, 2020 at 5:00 p.m. (Prevailing Pacific Time) (the "Objection Deadline"); *provided*,
19 *however*, that the Adventist Health Claimants, the Paradise Entities, AT&T, and Comcast may each
20 also file an individual brief not to exceed 10 additional pages concerning those Unresolved Trust
21 Documents Issues not addressed in the Joint Objection (the "Individual Objections" and, together
22 with the Joint Objection, the "Ad Hoc Group Objections") by the Objection Deadline.

23 4. Responses to the Ad Hoc Group Objections shall be filed by May 12, 2020 at
24 5:00 p.m. (Prevailing Pacific Time). The length of any such response shall be governed by the
25 Bankruptcy Local Rules for the Northern District of California; *provided* that (a) the TCC shall be
26 permitted to file a response brief not exceeding 30 pages and (b) the Debtors and Shareholder
27 Proponents shall each be permitted to file response briefs not exceeding 15 pages each or, in their

1 discretion, one joint response brief not to exceed 30 pages.

2 5. A hearing before the Bankruptcy Court on the Ad Hoc Group Objections shall be
3 held on May 14, 2020 at 10:00 a.m. (Prevailing Pacific Time), subject to the availability of the
4 Bankruptcy Court.

5 6. Nothing in this Stipulation shall constitute consent by the TCC or any of the Ad Hoc
6 Group of Business Claimants to the confirmation of the Plan, or a waiver of any other objections
7 to the Plan or other rights with respect thereto, including the right to object to any Trust Documents
8 filed after May 5, 2020, and any such objections shall be subject to the deadlines set forth in the
9 Disclosure Statement Order. Likewise, nothing in this Stipulation shall constitute a waiver by the
10 Plan Proponents of any defenses or other arguments in support of confirmation of the Plan.

11 7. Unless otherwise authorized or directed by the Bankruptcy Court, the Adventist
12 Health Claimants, the Paradise Entities, AT&T, Comcast, the TCC, the Debtors and the
13 Shareholder Proponents shall not submit further written pleadings with respect to the Unresolved
14 Trust Document Issues which are the subject of the briefing described herein.

15 8. Nothing in this Stipulation shall require any party in interest other than the Ad Hoc
16 Group of Business Claimants to file objections to the Trust Documents prior to the Plan Objection
17 Deadline. Nothing in this Stipulation shall limit the right of any party in interest to file a response
18 to the Ad Hoc Group Objections.

19 9. This Stipulation may be executed in counterparts, each of which shall be deemed an
20 original but all of which together shall constitute one and the same agreement.

21 *[Signatures on the following pages]*

1 Dated: May 1, 2020

RESPECTFULLY SUBMITTED:

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NORTON ROSE FULBRIGHT US LLP

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By: /s/ Rebecca J. Winthrop

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Rebecca J. Winthrop
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HEALTH SYSTEM/WEST and FEATHER
RIVER HOSPITAL D/B/A ADVENTIST
HEALTH FEATHER RIVER

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7 Dated: May 1, 2020

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By: /s/ Eric Goodman

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Eric Goodman
Attorneys for the OFFICIAL COMMITTEE
OF TORT CLAIMANTS

11

12 Dated: May 1, 2020

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By: /s/ Jessica Liou

Jessica Liou
Attorneys for the DEBTORS

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17 Dated: May 1, 2020

JONES DAY

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By: /s/ Joshua M. Mester

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Attorneys for the SHAREHOLDER
PROPOSERS

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22 Dated: May 1, 2020

REED SMITH LLP

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By: /s/ David E. Weiss

David E. Weiss
Attorneys for PARADISE UNIFIED
SCHOOL DISTRICT

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Dated: May 1, 2020

Dated: May 1, 2020

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